

**SOUTHCOAST HEALTH SYSTEM, INC.**  
**DETERMINATION OF NEED APPLICATION # SHS-24050109-TO**

**Don Questions For The Applicant**

**Added Questions 10-14 Due by June 14<sup>th</sup>**

*Responses should be sent to DoN staff at [DPH.DON@State.MA.US](mailto:DPH.DON@State.MA.US)*

While you may submit each answer as available, please

- List question number and question for each answer you provide;
- Submit responses as a separate word document, using the above application title and number as a running header and page numbers in the footer;
- When providing the answer to the final question, submit all questions and answers in one final document;
- Submit responses in WORD or EXCEL; **include a table in data format (NOT pdf or picture) with the response.**
- **When providing a table of data, provide a narrative explaining the trends or significance of that information (such as what reason for the year over year changes are attributed to and how it relates to information already provided.)**

In order for us to review this project in a timely manner, please provide the responses by June 3<sup>rd</sup> 2024.

Project Description pp 3-

1. Please provide a chart of the number of licensed beds by service for each SHS hospital?

**Please see the attached worksheet with the response to Question #1.**

2. Please provide a chart of the number of outpatient ORs at SDS, and at each other SHS locations that includes which organization they are under and how are they licensed at each site?

**Please see the attached Worksheet with the response to Question #2. SDS has 4 operating rooms and 4 procedure rooms.**

3. "The first stage of the transition involved SHSH's initial minority investment in SDS." Please provide more information on what this entails and when will it be completed, if not already? (Please confirm that this refers to the 2022 transaction described later on p. 16.)

**The first stage of the transaction was completed in 2022. As a result of the first stage of the transaction, three Southcoast representatives became SDS board members. In addition, Southcoast Health moved SDS to Tier 1 of their health plan allowing for improved access and affordability for all health plan members.**

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4. "The second stage of the transition will involve SHSH's acquisition of the remaining 51% ownership interest in SDS upon receipt of all regulatory approvals (the "Project"). The terms of the Stock Purchase Agreement ("Definitive Agreement") provide for the ASC's current leadership to continue for a period of time in order to maintain continuity of care for the community." Over what period of time do you anticipate this will occur?

The parties are discussing the transition period and no final decisions have been made at this time.

5. In order to better understand the impact of the COVID pandemic, please provide the procedural level volumes for 2018-2020 for SDS, Southcoast Health Surgical Patients and for Charlton Memorial Hospital. **(Where numbers are less than 11 combine them with another category and explain which.)**

Please see the attached worksheet with the response to Question #5.

6. Under patient panel need *Improving Access to Outpatient Surgical Services via Expanded Site of Care and Reduced Wait Times*, since the Applicant is already a 49% owner, please explain further how the proposed transaction will change the wait times without any addition of capacity? While you have provided the wait times for SHS facilities, none were provided for SDS, please provide. Also, how much additional capacity is available at SDS? Please explain further how the proposed transaction will improve upon access.

As a result of the proposed transaction, the parties will transition to a single EMR which they do not currently have. By utilizing a single EMR, electronic referrals can be sent and processed more accurately, comprehensively, and rapidly. The single EMR will allow direct scheduling via the practice at time of referral decreasing the wait time for needed procedures for patients. Southcoast Physicians Group has an Epic queue-management process with staff designated for procedural throughput for gastrointestinal procedures that has resulted in best-in-class throughput on preventative and diagnostic colonoscopies. SHS believes that deploying Epic, expanding access at SDS, and assigning SHS staff to additional cases at SDS will yield similar benefits in throughput and access to procedural services. Complete electronic integration allows for streamlined referrals, scheduling and pre-procedural optimization (testing, etc.) for patients. Similarly procedural documentation and results will be available to patients and their Southcoast Health care team members via Epic's MyChart and the EMR.

SDS does not maintain data regarding wait times. SDS utilizes a paper chart system.

SDS has additional capacity. SDS has handled 9,000 procedures per year in the past and can do so again if there are additional personnel and equipment to meet that level of procedures.

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The ability to rationalize services by location across the SHS system adds additional access for the region as a whole. The parties believe that the transaction will also improve upon access by providing a low cost, highly efficient care setting for patients and by making SHS' financial assistance policies applicable to SDS.

7. Relative to Factor 1(e), competition, please provide comparative cost information for SDS relative to other ASCs in MA and nationally if available.

Please see attached national and HPC benchmarks for ASCs in Massachusetts. SDS cannot and does not share payor information with its competitors in Massachusetts and therefore cannot compare its cost to consumers with its competitors' cost to consumers.

8. Does the Applicant have an estimate of saving related to moving a portion of the 33,000 patients that might have been eligible for an ASC setting? Please provide an explanation of these savings.

Applicant does not have an estimate of savings at this time. In order to calculate an estimate of savings, the parties would need to have access to each other's payor rates which they do not have.

9. With respect to better integration of care for patients, do you have any data or best estimate of the crossover of the two patient panels, (SHS and SDS)? Given that you state that many of the SDS physicians are on the medical staff of SHS they might already be integrated.

SDS has 15 surgeons who are not employed by SHS and are on the SDS medical staff and perform cases at SDS. SHS and SDS do not have information about crossover patients because each of SDS and SHS are currently on separate medical records, and therefore, do not have information about any overlap with respect to each other's patients.

10. Please explain how your methodology for estimating that 33,000 patients may have been eligible for ASC services?

Southcoast Health reviewed surgical volumes of cases completed at their hospital-based facilities over a 3-year timeframe (FY21-FY23) and determined that more than 33,000 patients treated would have been appropriate for receiving their surgery/procedure in an ambulatory surgery center. The determination was based on the services (surgical, diagnostic, or preventative) being classified as outpatient, same-day or not requiring an overnight stay in a hospital. In addition, the services identified by Southcoast Health System were consistent with the types of cases currently being performed at SDS.

11. Explain the Advisory Board's methodology, criteria and assumptions for the projected growth in ASC volume.

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Please see the attached worksheet with the response to Question #11.

12. We need to understand Appendix B data for SDS.

- a. It is labeled Procedural Volume yet the procedural volumes for the first 2 charts differ from that of the latter 2. (e.g. FY 21 is 5,673 vs 1,703) Could they be procedural volume vs number of patients?

SDS does not have an EMR or other software that calculates patient panel information. SDS's data regarding age and gender represents unique patients. SDS took a representative sample of patients and manually calculated patient panel percentages for age and gender based on certain unique patients on Appendix B. The percentages on Appendix B reflect SDS' best estimates of the age and gender of its patient panel.

- b. Please refer to the DoN regulations for the definition of Patient Panel and in addition to procedural volume provide SDS' Patient Panel information. Clearly label the charts provided already and the additional charts with the Patient Panel demographic information. **(The Patient Panel information needs to only 36 months while the procedural information needs to date back to FY2018.)**

SDS does not have an EMR or other software that calculates patient panel information. SDS took a representative sample of patients and manually calculated patient panel percentages for age and gender based on unique patients on Appendix B. The percentages on Appendix B reflect SDS' best estimates of the age and gender of its patient panel.

13. Does SHS' current ACO patient population have access to SDS? Do you know how many and what percent of those patients need surgery but have not been able to gain access.

Yes, the ACO populations have access to SDS. SHS and SDS do not have data regarding the percentage of patients who need surgery but do not have access to SDS.

14. With respect to Health Equity, you describe SHS' initiatives to address Health Equity. How does that differ from SDS? What are SDS' current initiatives with regard to Health Equity and addressing Social Determinants of Health?

SHS achieved the Joint Commission's initial accreditation for Health Equity in 2023 and has applied for advanced accreditation in 2024. SHS has a robust structure in place (including a well-established Health Equity Committee as well as a Hospital Quality and Equity Steering Committee reporting up to its Board of Trustees) to support analysis of health equity related outcomes and to address disparities in care. SHS routinely disaggregate its quality performance data by race, ethnicity and spoken language and

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efforts are underway to do the same for sexual orientation, gender identity and disability status before the end of 2024.

In addition to collecting information on health-related social needs (HRSN) SHS also uses calculated social vulnerability index scores for its patients to assess outcomes and access to care related to social determinants of health. From these practices, SHS has multiple active projects focused on minimizing and eliminating disparities based on health equity (diabetes, perinatal care, substance use disorders).

SDS is not engaged in health equity initiatives at this time.

15. You have provided a description of the benefits of better coordination of care. Please provide further information and details on how the coordination of care will occur. What specifically does Southcoast have/do now that will be integrated with the SDS facility? Are the EHR's integrated? How will linkages occur that do not already exist? Currently, how do patients get referred to the SDS surgeons, from Southcoast PCPs? Do they not currently have access to the rehab services? How will that change? Etc.

Currently SDS does not have an integrated EMR and is dependent upon a more traditional paper based /faxing referral process. Southcoast Physicians Group uses an automated Epic referral queue-management process with staff designated to procedural throughput. For gastrointestinal procedures that process has resulted in best-in-class throughput on preventative and diagnostic colonoscopies. We believe that deploying Epic, expanding access at SDS, and assigning SHS staff to additional cases at SDS will yield similar benefits in throughput and access to procedural services. Moreover, the ability to rationalize services by location across the system adds additional access for the region as a whole.

Similarly, benefits to linkages to care post-procedure can also be realized linking patients to home based and outpatient rehabilitation services, complex care management, follow up care and other services through automated referrals within an integrated Epic EMR. While these services have been available to members of the community before; the improved efficiency and ease of access will be improved encouraging engagement and improving communication, experience, and continuity of care for patients. With improved post-procedure engagement in such services; SHS and SDS have an opportunity to improve post procedure outcomes.